

IC 5-20-4**Chapter 4. Low Income Housing Trust Fund****IC 5-20-4-1****"Advisory committee" defined**

Sec. 1. As used in this chapter, "advisory committee" refers to the housing trust fund advisory committee established by this chapter.

As added by P.L.69-1989, SEC.4.

IC 5-20-4-2**"Families" defined**

Sec. 2. As used in this chapter, "families" has the meaning set forth in 42 U.S.C. 1437a(b)(3).

As added by P.L.69-1989, SEC.4.

IC 5-20-4-3**"Housing finance authority" defined**

Sec. 3. As used in this chapter, "housing finance authority" refers to the Indiana housing finance authority established under IC 5-20-1.

As added by P.L.69-1989, SEC.4.

IC 5-20-4-4**"Housing trust fund" defined**

Sec. 4. As used in this chapter, "housing trust fund" refers to the fund established by this chapter.

As added by P.L.69-1989, SEC.4.

IC 5-20-4-5**"Lower income families" defined**

Sec. 5. As used in this chapter, "lower income families" means families whose income does not exceed eighty percent (80%) of the median income for the area.

As added by P.L.69-1989, SEC.4.

IC 5-20-4-6**"Very low income families" defined**

Sec. 6. As used in this chapter, "very low income families" means families whose income does not exceed fifty percent (50%) of the median for the area.

As added by P.L.69-1989, SEC.4.

IC 5-20-4-7**Establishment of fund; administration; resources; investments; disposition of remaining money; interest**

Sec. 7. (a) There is established the housing trust fund. The fund shall be administered by the Indiana housing finance authority under the direction of the Indiana housing finance authority's board.

(b) The fund consists of the following resources:

- (1) Appropriations from the general assembly.
- (2) Gifts and grants to the fund.

- (3) Investment income earned on the fund's assets.
- (4) Repayments of loans from the fund.
- (5) Funds borrowed from the board for depositories insurance fund (IC 5-13-12-7).

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the Indiana housing finance authority to pay expenses incurred in the administration of the fund.

As added by P.L. 69-1989, SEC.4. Amended by P.L. 27-1993, SEC.17.

IC 5-20-4-8

Financial assistance; form; allocation

Sec. 8. (a) The money in the fund shall be used to provide financial assistance in the form of:

- (1) grants;
- (2) rent supplements;
- (3) loans; and
- (4) loan guarantees.

In addition, money from the fund may be used to provide technical assistance to nonprofit developers of low income housing.

(b) The financial assistance described in subsection (a) shall be used for the development, rehabilitation, or financing of affordable housing for lower income families and very low income families, including lower income elderly, persons with disabilities, and homeless individuals.

(c) At least fifty percent (50%) of the dollars allocated for production, rehabilitation, or purchase of housing must be used for units to be occupied by very low income households.

As added by P.L. 69-1989, SEC.4. Amended by P.L. 23-1993, SEC.18; P.L. 27-1993, SEC.18.

IC 5-20-4-9

Terms of loans from board for depositories insurance fund

Sec. 9. The board for depositories shall determine the terms of the loan from the board for depositories insurance fund under section 8 of this chapter that must include the following:

- (1) That the duration of the loan may not exceed twenty (20) years from the date of the execution of the agreement between the Indiana housing finance authority and the public deposit insurance fund operated by the board for depositories.
- (2) The repayment schedule of the loan that:
 - (A) shall not require repayment of any principal; and
 - (B) must allow any principal to be repaid by the housing trust fund at any time;before the end of the term for the loan.
- (3) That no interest may be charged.

(4) The amount of the loan, which may not exceed five million dollars (\$5,000,000).

As added by P.L.69-1989, SEC.4. Amended by P.L.27-1993, SEC.19.

IC 5-20-4-10 Repealed

(Repealed by P.L.27-1993, SEC.26.)

IC 5-20-4-10.1

Repayment of loans; procedures

Sec. 10.1. The Indiana housing finance authority and the board for depositories shall establish procedures to insure repayment of the loan principal at the end of the loan term. The procedures may include purchase of a zero coupon bond to insure the loan principal, a requirement that a percentage of the loans issued by the Indiana housing finance authority be made through a linked deposit program in certificates of deposit, or other procedures that the Indiana housing finance authority and the board for depositories may determine appropriate.

As added by P.L.27-1993, SEC.20.

IC 5-20-4-11

Allocation of fund resources

Sec. 11. (a) At least fifty percent (50%) of the resources of the fund shall be allocated to recognized nonprofit corporations under Section 501(c) of the Internal Revenue Code.

(b) The resources of the fund that are not allocated under subsection (a) may be allocated to private developers of housing and private development entities as determined by the Indiana housing finance authority.

As added by P.L.69-1989, SEC.4. Amended by P.L.179-1991, SEC.9; P.L.1-1992, SEC.13; P.L.27-1993, SEC.21.

IC 5-20-4-12

Occupancy of housing developed with fund resources

Sec. 12. Rental housing that is developed with money from the housing trust fund shall be made available for occupancy to low income families or very low income families for at least fifteen (15) years. In the event of foreclosure or equivalent action, the remaining affordability period may be waived by the Indiana housing finance authority.

As added by P.L.69-1989, SEC.4. Amended by P.L.27-1993, SEC.22.

IC 5-20-4-13

Developer of housing; certification of compliance with federal requirements

Sec. 13. A developer of housing that uses funds from the housing trust fund shall certify to the Indiana housing finance authority that the developer will comply with the following:

(1) The federal Civil Rights Act of 1968 (P.L. 90-284).

(2) The federal Fair Housing Amendments of 1988 (P.L.

100-430).

(3) The Indiana Civil Rights Law (IC 22-9-1).

As added by P.L.69-1989, SEC.4.

IC 5-20-4-14

Policies and procedures for implementation of chapter

Sec. 14. The Indiana housing finance authority shall establish written policies and procedures to implement this chapter. These policies and procedures shall include the following:

- (1) The development of an application process for requesting financial assistance under this chapter.
- (2) The establishment of a procedure for disbursing financial assistance under this chapter.
- (3) The establishment of a rate of interest for a loan under this chapter.
- (4) The establishment of loan underwriting criteria to protect the assets of the fund. The Indiana housing finance authority shall require a lien or other security when appropriate and in the amounts the authority determines appropriate.
- (5) A requirement that a financial institution holding an obligation that is guaranteed under this chapter must adequately secure the obligation.
- (6) Standards requiring a local match for any assistance under this chapter and establishing the level of local match required.
- (7) The establishment of a cap on the amount of financial assistance that any recipient may receive.

As added by P.L.69-1989, SEC.4. Amended by P.L.27-1993, SEC.23.

IC 5-20-4-15

Housing trust fund advisory committee; membership; term of office; removal from office; vacancies

Sec. 15. (a) The housing trust fund advisory committee is established.

(b) The committee consists of sixteen (16) members to be appointed by the governor as follows:

- (1) One (1) member of the division of mental health and addiction.
- (2) One (1) member of the division of family and children.
- (3) One (1) member of the division of disability, aging, and rehabilitative services.
- (4) One (1) member of the department of commerce.
- (5) One (1) member to represent residential real estate developers.
- (6) One (1) member to represent construction trades.
- (7) One (1) member to represent banks and other lending institutions.
- (8) One (1) member to represent the interests of persons with disabilities.
- (9) One (1) member to represent service providers.
- (10) Two (2) members to represent neighborhood groups.

- (11) One (1) member to represent low income families.
- (12) One (1) member to represent nonprofit community based organizations and community development corporations.
- (13) One (1) member to represent real estate brokers or salespersons.
- (14) One (1) member to represent the Indiana Apartment Owner's Association.
- (15) One (1) member to represent the manufactured housing industry.

At least three (3) members of the committee shall be from a city with a population of less than thirty-five thousand (35,000), a town, or a rural area.

(c) Members of the advisory committee shall serve a term of three (3) years. However, the governor may remove for cause an appointed member of the advisory committee and fill vacancies of appointed members on the advisory committee.

(d) The advisory committee shall make recommendations to the housing finance authority regarding:

- (1) the development of policies and procedures under section 14 of this chapter; and
- (2) long term sources to capitalize the housing trust fund, including the following:
 - (A) Revenue from development ordinances, fees, or taxes.
 - (B) Market based or private revenue.
 - (C) Revenue generated from government programs, foundations, private individuals, or corporations.

(e) The advisory committee shall prepare and present an annual report that:

- (1) describes disbursements under the housing trust fund; and
- (2) makes recommendations to the board of the Indiana housing finance authority regarding long term sources to capitalize the housing trust fund.

As added by P.L.69-1989, SEC.4. Amended by P.L.2-1992, SEC.56; P.L.23-1993, SEC.19; P.L.4-1993, SEC.8; P.L.5-1993, SEC.19; P.L.215-2001, SEC.9.

IC 5-20-4-16

Housing trust fund advisory committee members; salary per diem; traveling expenses and other expenses

Sec. 16. (a) Each member of the advisory committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the department of administration and approved by the budget agency.

(b) Each member of the advisory committee who is a state employee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures

established by the department of administration and approved by the budget agency.

As added by P.L.69-1989, SEC.4.